



## Anchor Small Cap Value and SMID Cap Value 1Q 2013 Investment Review

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Anchor's Small Cap Value and SMID Value strategies returned +12.18% and 12.56%, respectively in First Quarter, 2013 compared with +11.63% and +13.35% for the Russell 2000 Value and Russell 2500 Value indices. The current negative real rate environment seems to be pulling money toward riskier assets in search of returns and risk. The notion of US equities as a destination given the now evident expansion, historic corporate balance sheet liquidity and relative stability versus other world economies for the moment, is helping the move, and has strongly favored small and small-mid value stocks.

Sector leadership in the quarter was quite broad, led by consumer, capital goods, health care, financials and energy. Curiously, technology overall was a relative laggard compared with pure cyclical, with the exception of commodity oriented materials companies which seemed to have moderated in concert with weakening supply/demand conditions in China. Producer durable stocks were the particular hot spots, including commercial aerospace suppliers, and also diversified manufacturers which seem to be migrating production back to the U.S. Container, packaging and chemical, oil service and even textile producers on the nondurables side, were bid up. In the financials, the small and mid sized banks caught fire, perhaps in a catch up move versus the REITs, which were pushed up to full valuation levels, we believe, in 2012, in an apparent two year fixation with dividend yield without regard to valuation or concern for interest rate risk.

In our three strategies (Smid, Small and Micro Cap Value), our significant current overweighting in banks, with specifically favorable individual selection, enabled us to outperform versus a large financial sector weighting in our benchmarks. Our two airline stocks were up dramatically in the quarter, prompting us to trim one of them, Alaska Air, into strength on the sheer magnitude of the advance, and its approach toward cycle-high valuation. Within the tech space, our cloud based software company, InContact, moved to new highs on broadening adoption by major corporate licensees.

From a portfolio construction perspective we hit some bids in select names that have appreciated far too quickly and may be approaching cycle-high levels. The demand backdrop for a broad array of businesses and sectors looks pretty good right now and inflation has not evidenced itself so much in basic commodities as it has in pockets like airline fares, or selected other corners of the industrial economy.

Largest contributors this quarter included: Incontact, cloud based provider of virtual call centers, Bank of the Ozarks, Wabtec, which produces rail systems and controls; Columbia Banking System, and P.H. Glatfelter, which is a specialty papers producer. Detractors included: Cato Corp, a women's apparel retailer across the South, lapping strong comps from the year ago quarter; Atlas Air Worldwide, a global air freight company whose results moderated on China trends; Gold, which we eliminated during the quarter; Cavco Industries, a producer and financier of manufactured homes; and Kaman, a defense aerospace and industrial distribution company.



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As mentioned above, we remain constructive about intermediate term prospects for the domestic economy, and we remain postured constructively to benefit from continued moderate expansion for the foreseeable future as it may come to pass that the Fed takes its foot off the liquidity accelerator in due course as the recovery becomes more self sustaining. At the same time, we recognize that the current bull market is not young, and we remain vigilant on our companies' prospects.

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## Monthly Performance

### Anchor Small Cap Value (gross of fees):

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	5.13	1.13	5.51										12.18
2012	6.30	2.76	2.90	-1.75	-6.06	2.99	-0.70	2.27	2.51	-0.80	0.48	3.72	14.99
2011	-0.04	2.54	3.73	2.35	-1.49	-1.32	-4.13	-6.88	-9.85	14.27	0.52	-1.17	-3.35
2010	-3.57	4.41	6.02	5.19	-5.64	-6.66	6.52	-7.02	12.14	4.08	3.24	7.40	26.75
2009	-8.07	-9.87	5.66	18.43	2.65	-0.11	12.20	3.35	10.18	-5.53	3.16	7.86	42.79
2008	-6.01	-1.36	1.33	3.25	7.06	-8.85	3.77	4.83	-9.61	-16.82	-9.49	4.15	-27.03
2007	2.38	-0.25	1.33	1.30	4.75	-2.08	-3.89	1.83	1.31	0.52	-8.23	1.74	0.06
2006	7.17	0.13	5.62	1.22	-4.75	-2.57	-4.86	2.62	0.79	4.31	2.98	0.27	12.84
2005	-3.18	1.38	-1.18	-6.07	5.58	2.45	6.31	0.46	3.12	-3.57	3.87	-0.98	7.66
2004	1.45	3.10	-0.07	-3.47	-1.85	6.19	-3.72	-1.03	4.33	-0.35	8.33	2.09	15.20
2003	-1.27	-3.07	-1.03	6.85	8.66	4.96	4.42	3.70	-0.13	7.34	2.78	5.32	44.99
2002							-15.12	1.87	-9.83	-1.86	5.85	-1.37	-20.11

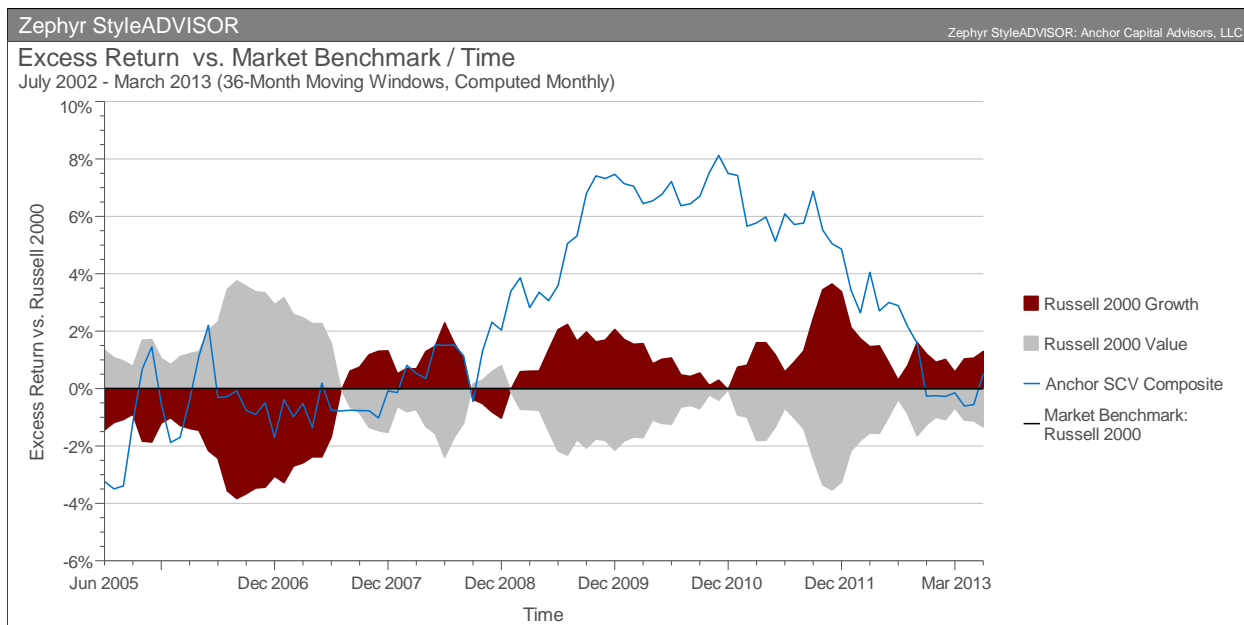
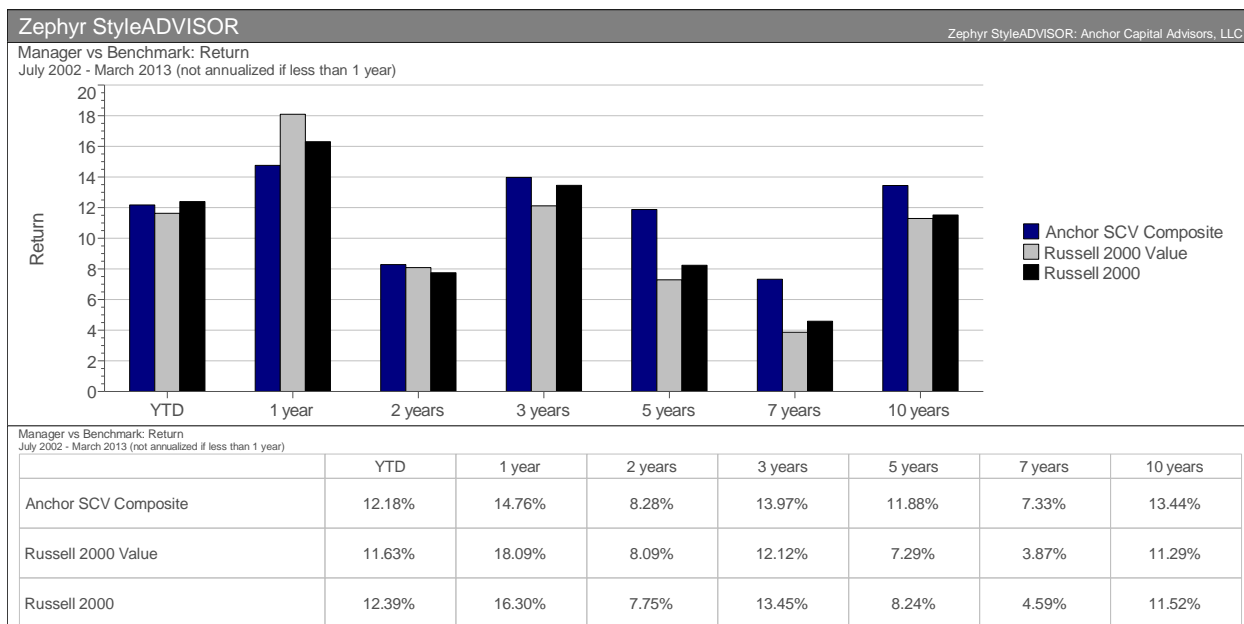
### Russell 2000 Value:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	5.96	1.14	4.16										11.63
2012	6.65	1.49	3.10	-1.45	-6.11	4.82	-1.02	3.08	3.56	-1.25	0.31	4.21	18.05
2011	0.05	5.08	1.39	1.62	-1.79	-2.46	-3.31	-8.83	-10.92	14.41	-0.20	1.56	-5.50
2010	-2.93	4.64	8.32	7.00	-8.45	-8.73	7.14	-7.52	10.74	3.87	2.54	8.31	24.50
2009	-14.28	-13.89	8.88	15.87	2.16	-0.32	11.56	4.73	5.02	-6.64	3.18	7.57	20.58
2008	-4.10	-3.97	1.51	3.16	3.42	-9.60	5.13	4.75	-4.69	-19.98	-11.58	6.15	-28.92
2007	1.50	-1.23	1.21	1.04	3.67	-2.33	-8.51	2.00	0.45	1.09	-7.49	-0.85	-9.78
2006	8.27	-0.01	4.84	0.27	-4.14	1.23	-1.39	2.99	0.98	5.09	2.85	0.87	23.48
2005	-3.87	1.99	-2.06	-5.16	6.10	4.42	5.69	-2.30	-0.17	-2.51	4.06	-0.77	4.71
2004	3.46	1.94	1.38	-5.17	1.21	5.08	-4.60	0.98	3.96	1.55	8.87	2.39	22.25
2003	-2.82	-3.36	1.07	9.50	10.21	1.69	4.99	3.80	-1.15	8.15	3.84	3.62	46.03
2002							-14.86	-0.44	-7.14	1.50	7.98	-4.27	-17.42

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# Anchor Small Cap Value and SMID Cap Value 1Q 2013 Investment Review



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# Anchor Small Cap Value and SMID Cap Value 1Q 2013 Investment Review



Anchor Institutional Management

## Performance\* - Selected Regimes

Period	Dates	Anchor Small Cap Value	Russell 2000***	Russell 2000 Value**	S&P 500****
Credit Crunch and Panic	08/2007 - 02/2009	-28.69%	-34.39%	-35.58%	-33.46%
Recovery	03/2009 - 04/2011	49.12%	46.56%	43.99%	35.76%
US Government Downgrade	05/2011 - 08/2011	-13.21%	-15.64%	-15.55%	-9.93%
Year to Date	01/2013 - 03/2013	12.18%	12.39%	11.63%	10.61%
Ten Year (Period)	03/2003 - 03/2013	353.05%	297.48%	291.51%	226.78%
Ten Year (Annualized)	03/2003 - 03/2013	13.44%	11.52%	11.29%	8.53%

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\*\* The Russell 2000 Value index (primary benchmark) offers investors access to the small cap value segment of the US equity universe. The Russell 2000 Value index is constructed to provide a comprehensive and unbiased barometer of the small cap value market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine value probability approximates the aggregate small cap value manager's opportunity set.

\*\*\* The Russell 2000 index (secondary benchmark) offers investors access to the small cap segment of the US equity universe. The Russell 2000 index is constructed to provide a comprehensive and unbiased barometer for the small cap segment and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small cap opportunity set.

\*\*\*\*The S&P 500 index is widely regarded as the best single gauge of the U.S. equities market. This world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although S&P 500 focuses on the large-cap segment of the market, with about 75% coverage of U.S. equities, it is also an ideal proxy for the total market. The benchmark returns include the reinvestment of income.

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## Anchor Small Cap Value and SMID Cap Value 1Q 2013 Investment Review

### Monthly Performance

#### Anchor SMID Cap Value (gross of fees):

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	5.31	1.35	5.46										12.56
2012	6.23	2.18	2.91	-1.51	-6.03	3.01	0.12	2.22	2.71	-0.95	0.42	3.26	14.98
2011	0.33	3.07	3.54	2.22	-1.51	-1.05	-4.09	-6.91	-9.87	13.40	0.51	-1.06	-3.20
2010	-3.61	4.17	6.60	4.86	-5.92	-6.80	6.79	-6.21	11.48	3.88	3.39	6.97	26.23
2009	-8.37	-11.21	6.90	18.08	3.19	0.36	11.79	3.53	10.55	-5.36	3.41	7.61	43.30
2008	-6.90	-1.74	1.38	3.30	6.94	-8.64	3.51	3.52	-10.43	-17.78	-10.38	4.81	-30.61
2007	2.05	-0.22	1.19	2.01	5.19	-1.85	-3.59	2.13	1.77	1.20	-7.92	2.16	3.50
2006	7.55	-0.66	5.10	1.35	-4.88	-2.56	-4.34	2.37	0.82	4.62	2.94	0.45	12.67
2005	-2.58	2.09	-0.73	-5.97	5.16	2.14	6.26	0.75	2.78	-3.47	3.56	-0.39	9.28
2004	-0.20	3.24	0.33	-3.27	-1.79	5.17	-3.19	-0.31	4.52	-0.33	7.05	2.43	13.87

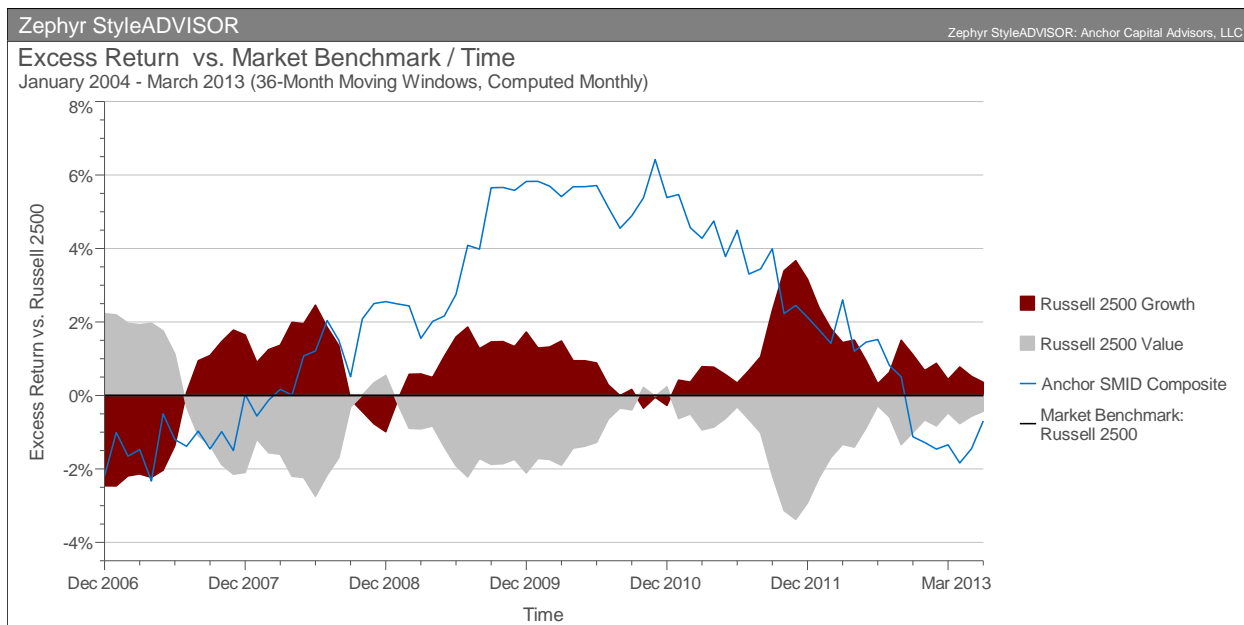
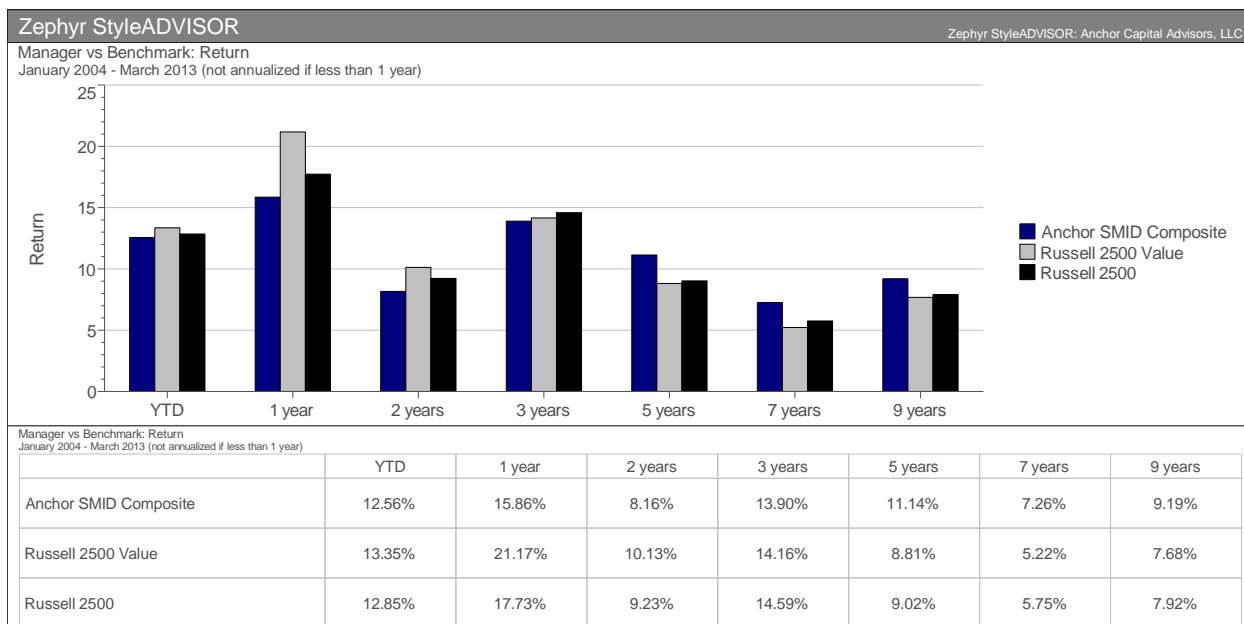
#### Russell 2500 Value:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	6.81	1.56	4.49										13.35
2012	5.69	2.89	2.55	-0.61	-6.18	4.00	-0.43	3.38	2.83	-0.39	1.37	3.14	19.21
2011	1.53	4.34	1.64	2.33	-1.17	-2.57	-3.74	-8.18	-10.73	13.92	-0.23	1.57	-3.36
2010	-2.67	4.87	7.35	5.81	-8.00	-7.71	7.36	-5.55	9.86	3.90	1.74	7.70	24.82
2009	-11.67	-12.87	8.73	15.95	2.50	-0.07	10.20	5.95	5.15	-6.04	4.32	6.77	27.68
2008	-3.56	-3.62	-0.18	4.62	4.13	-9.34	1.77	4.04	-6.70	-20.65	-10.46	5.75	-31.99
2007	2.23	-0.23	1.07	2.09	3.56	-2.66	-7.49	0.51	1.04	0.69	-6.41	-1.28	-7.27
2006	6.58	0.13	3.51	0.40	-3.46	0.57	-1.39	2.66	1.02	4.69	3.13	1.10	20.18
2005	-3.22	2.50	-1.34	-3.74	5.55	3.67	5.36	-1.82	0.11	-2.95	4.10	-0.10	7.74
2004	3.24	2.03	0.80	-5.24	2.01	3.97	-4.03	1.26	3.16	1.81	8.18	3.18	21.58

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# Anchor Small Cap Value and SMID Cap Value 1Q 2013 Investment Review



Anchor Institutional Management

## Performance\* - Selected Regimes

Period	Dates	Anchor SMID Cap Value	Russell 2500***	Russell 2500 Value**	S&P 500****
Credit Crunch and Panic	08/2007 - 02/2009	-30.78%	-34.82%	-35.90%	-33.46%
Recovery	03/2009 - 04/2011	50.76%	48.24%	46.33%	35.76%
US Government Downgrade	05/2011 - 08/2011	-12.99%	-14.66%	-14.90%	-9.93%
Year to Date	01/2013 - 03/2013	12.56%	12.85%	13.35%	10.61%
Inception of Strategy (Period)	01/2004 - 03/2013	228.11%	210.23%	206.61%	170.68%
Inception of Strategy (Annualized)	01/2004 - 03/2013	9.32%	8.36%	8.16%	5.95%

\* Past performance is not a guarantee of future results. Inherent in any investment is the possibility of loss.  
\*\* The Russell 2500 Value index (primary benchmark) measures the performance of the small to mid-cap value segment of the U.S. equity universe. The Russell 2500 Value index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap value market. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect value characteristics.  
\*\*\* The Russell 2500 index (secondary benchmark) measures the performance of the small to mid-cap segments of the US equity universe. The Russell 2500 index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. The index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect value characteristics.  
\*\*\*\*The S&P 500 Index is widely regarded as the best single gauge of the U.S. equities market. This world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although S&P 500 focuses on the large-cap segment of the market, with about 75% coverage of U.S. equities, it is also an ideal proxy for the total market.  
The benchmark returns include the reinvestment of income.

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# Anchor Small Cap Value and SMID Cap Value 1Q 2013 Investment Review

## Notes to Investment Performance Statistics of Anchor Capital Small Cap Composite For the period from January 1, 2003 through December 31, 2012

### FIRM DEFINITION

Anchor Capital Advisors LLC is a Registered Investment Advisor and operates through two divisions: the Anchor Discretionary Managed Account Division ("ADMA"), and the Anchor Separate Managed Account Division ("ASMA"). The Anchor Capital SMA Division also serves as an investment sub-advisor to Unified Managed Account (UMA) Programs sponsored by brokerage firms, banks and other organizations. Through the UMA program, Anchor Capital provides a model portfolio for each discipline (i.e. small-cap value, mid-cap value, etc.) which has been chosen by the UMA sponsor. The redefinition of the firm into the ADMA and ASMA Divisions occurred as of 2003. The firm was redefined in 2003 to assure compliance with (then) AIMR performance reporting standards. For GIPS® purposes, the firm is defined as the ADMA Division of Anchor Capital. On June 1, 2006 Boston Private Financial Holdings, a holding company, purchased an 80% equity interest in Anchor Capital Advisors LLC. The company's employees continue to retain a 20% interest. The firm specializes in managing equity, balanced, and fixed income portfolios for institutional and individual clients.

### DESCRIPTION OF ACCOUNT INVESTMENT OBJECTIVE

The performance results displayed herein represent the performance of the Small Cap Composite managed by Anchor Capital Advisors LLC ADMA Division. The Small Cap Composite was created on July 1, 2002. For all years the composite includes all discretionary accounts with assets exceeding \$250,000, and those accounts were invested entirely in small cap stocks. The investment objective for this Composite was to achieve a high rate of return through the purchase of small cap stocks.

### CALCULATION OF RATES OF RETURN

All securities are valued at last sale price as provided by pricing services. The portfolio valuation is based on a trade date basis net of commissions. Investment returns include the reinvestment of income. The accrual of interest income is added to the beginning and ending market value. Effective on 1/1/2010, dividends (excluding income on money market securities) are credited on an accrual basis. The currency used to express performance is the U.S. dollar. The time-weighted returns are calculated on an average-weighted basis for each monthly period in the preceding quarter. Anchor revalues portfolio market values on the date of a large capital flow, defined as at least 10% of the portfolio value. Quarterly composite results are linked to determine annual returns. The Russell 2000 Value Index excludes fees and commissions. Returns of individual clients' accounts may differ from composite returns because of different investment objectives, different tax status and other considerations. Returns of individual clients' accounts will be reduced by investment advisor's fees, custodial service fees (if any) and other expenses which might be incurred to provide investment management, custody, administrative, actuarial, accounting or other services to the client. Investment advisory fees charged by Anchor Capital Advisors are described in Part 2A of Form ADV, and a document with all information contained in that filing is provided to all of Anchor Capital Advisors' clients. Gross returns are calculated before management fees and custodial fees, but after transaction costs. Net returns are calculated before custodial fees, but after management fees and transaction costs. Net returns are calculated using actual fees. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

### DISPERSION METHOD

Internal dispersion is calculated using the equal-weighted standard deviation of all portfolios included in the composite for the entire year.

### GLOBAL INVESTMENT PERFORMANCE STANDARDS COMPLIANCE (GIPS®)

In compliance with GIPS®, Anchor Capital Advisors LLC ADMA Division prepares statistics for the Small Cap Composite (on a quarterly basis) which includes total dollars represented in the managed accounts included in that composite at the end of the quarter, the number of accounts represented in the composite which share comparable investment guidelines and risks, the number of client accounts in that composite, the average account size and median account size. All this data is available upon request. The table on the next page contains extracts of this data as of the most recent reporting period. Portfolios below \$250,000 and portfolios with restrictions are excluded from the Small Cap Composite. If a client makes a significant withdrawal causing the portfolio value to fall to 20% below the minimum asset value for the composite, or if the withdrawal represents a 20% drop from the account's value at the beginning of the quarter, it will be excluded from the composite. If a 20% drop below the minimum asset value occurs due to market fluctuations, the portfolio will remain in the composite for up to a year, after which it will be removed if its value remains below 20% of the composite minimum asset value at the end of that year.

### GIPS® COMPLIANCE AND VERIFICATION STATEMENT

Anchor Capital Advisors LLC ADMA Division claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Anchor Capital Advisors LLC ADMA Division has been independently verified for the periods 1994 through 2012 as follows: 1994-2000: Brown & Brown PC; 2001-2003: Miller Wachman LLP; 2004-06/30/12: ACA Beacon Verification Services. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

#### Calendar Year Performance

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Anchor Small Cap (Gross of Fees)	44.99%	15.20%	7.66%	12.84%	0.06%	-27.03%	42.79%	26.75%	-3.35%	15.00%
Anchor Small Cap (Net of Fees)	43.56%	13.77%	6.73%	11.95%	-0.72%	-27.58%	41.69%	26.03%	-3.89%	14.37%
Russell 2000 Value	46.03%	22.25%	4.71%	23.48%	-9.78%	-28.92%	20.58%	24.50%	-5.50%	18.05%
Russell 2000	47.25%	18.33%	4.55%	18.37%	-1.57%	-33.79%	27.17%	26.85%	-4.18%	16.35%

#### Total Assets Under Management for Period: ADMA Division

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Discretionary Managed Accounts	\$1,084,803,380	1,358,709,919	\$1,704,411,133	\$2,006,351,597	\$2,095,553,748	\$1,585,595,791	\$1,549,879,557	\$1,771,495,486	\$1,632,064,730	\$2,001,660,997

#### Composite Standard Deviation for Period

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Composite Standard Deviation	0.00	0.01	0.54	0.40	0.24	0.87	2.21	0.63	0.60	0.56

#### 3 Year Annualized Ex-Post Standard Deviation

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Small Cap Managed Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	23.67	18.01
Russell 2000 Value (primary benchmark)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	26.05	19.89
Russell 2000 (secondary benchmark)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24.99	20.20

#### 10 Year Composite Historical Values

	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
Composite Asset Value	\$285,014	\$1,943,322	\$2,856,720	\$3,440,896	\$3,335,557	\$2,128,302	\$13,349,319	\$17,867,701	\$17,025,840	\$18,288,169
Number of Portfolios	1	4	6	7	7	6	6	9	12	11
% Non-Fee Paying	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.0%	11.8%	12.6%
% Bundled Fee Portfolio Assets*	N/A	N/A	N/A	7.4%	7.5%	8.6%	83.1%	66.6%	62.2%	62.3%

\* Bundled brokerage fees, where applicable, include transaction fees, custodial and various consulting fees

#### 12/31/2012 Composite Characteristics

Composite Name	Composite Assets	% Accounts Comparable	% of Total Taxable Accounts	Number of Clients	Average Account Size	Median Account Size	% of Non Fee Paying	% Bundled Fee Portfolio Assets
Small Cap Managed Account	\$18,288,169	100.00%	0.48%	11	\$1,662,561	\$677,877	12.62%	62.29%

Anchor Capital's standard Small Cap fee schedule is 1.5% of account assets for accounts less than \$3 million; 1.0% of account assets for accounts from \$3 million to \$5 million; 0.9% for assets exceeding \$5 million.\* For a complete listing of all composite descriptions, available upon request, contact Anchor Capital Advisors at (617) 338-3800. \*Prior to May 25, 2011, the standard fee of 1.5% of account assets for accounts less than \$3,000,000; 1.0% of account assets for accounts from \$3,000,000 to \$5,000,000; 0.5% for assets exceeding \$5,000,000 was the highest fee charged to any client in that strategy. As of May 25, 2011, the highest fee for this strategy from that date forward has changed to the schedule noted above.

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## Notes to Investment Performance Statistics of Anchor Capital Small Mid Cap (SMID) Composite For the period from January 1, 2004 through December 31, 2012

### FIRM DEFINITION

Anchor Capital Advisors LLC is a Registered Investment Advisor and operates through two divisions: the Anchor Discretionary Managed Account Division ("ADMA"), and the Anchor Separate Managed Account Division ("ASMA"). The Anchor Capital SMA Division also serves as an investment sub-advisor to Unified Managed Account (UMA) Programs sponsored by brokerage firms, banks and other organizations. Through the UMA program, Anchor Capital provides a model portfolio for each discipline (i.e. small-cap value, mid-cap value, etc.) which has been chosen by the UMA sponsor. The redefinition of the firm into the ADMA and ASMA Divisions occurred as of 2003. The firm was redefined in 2003 to assure compliance with (then) AIMR performance reporting standards. For GIPS® purposes, the firm is defined as the ADMA Division of Anchor Capital. On June 1, 2006 Boston Private Financial Holdings, a holding company, purchased an 80% equity interest in Anchor Capital Advisors LLC. The company's employees continue to retain a 20% interest. The firm specializes in managing equity, balanced, and fixed income portfolios for institutional and individual clients.

### DESCRIPTION OF ACCOUNT INVESTMENT OBJECTIVE

The performance results displayed herein represent the performance of the Small Mid Cap Composite managed by Anchor Capital Advisors LLC ADMA Division. The Small Mid Cap Composite was created on January 1, 2004. For all years the composite includes all discretionary accounts with assets exceeding \$250,000, and those accounts were invested entirely in small cap and mid cap stocks. The investment objective for this Composite was to achieve a high rate of return through the purchase of small cap and mid cap stocks.

### CALCULATION OF RATES OF RETURN

All securities are valued at last sale price as provided by pricing services. The portfolio valuation is based on a trade date basis net of commissions. Investment returns include the reinvestment of income. The accrual of interest income is added to the beginning and ending market value. Effective on 1/1/2010, dividends (excluding income on money market securities) are credited on an accrual basis. The currency used to express performance is the U.S. dollar. The time-weighted returns are calculated on an average-weighted basis for each monthly period in the preceding quarter. Anchor revalues portfolio market values on the date of a large capital flow, defined as at least 10% of the portfolio value. Quarterly composite results are linked to determine annual returns. The Russell 2500 Value Index excludes fees and commissions. Returns of individual clients' accounts may differ from composite returns because of different investment objectives, different tax status and other considerations. Returns of individual clients' accounts will be reduced by investment advisor's fees, custodial service fees (if any) and other expenses which might be incurred to provide investment management, custody, administrative, actuarial, accounting or other services to the client. Investment advisory fees charged by Anchor Capital Advisors are described in Part 2A of Form ADV, and a document with all information contained in that filing is provided to all of Anchor Capital Advisors' clients. Gross returns are calculated before management fees and custodial fees, but after transaction costs. Net returns are calculated before custodial fees, but after management fees and transaction costs. Net returns are calculated using actual fees. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

### DISPERSION METHOD

Internal dispersion is calculated using the equal-weighted standard deviation of all portfolios included in the composite for the entire year.

### GLOBAL INVESTMENT PERFORMANCE STANDARDS COMPLIANCE (GIPS®)

In compliance with GIPS®, Anchor Capital Advisors LLC ADMA Division prepares statistics for the Small Mid Cap Composite (on a quarterly basis) which includes total dollars represented in the managed accounts included in that composite at the end of the quarter, the number of accounts represented in the composite which share comparable investment guidelines and risks, the number of client accounts in that composite, the average account size and median account size. All this data is available upon request. The table on the next page contains extracts of this data as of the most recent reporting period. Portfolios below \$250,000 and portfolios with restrictions are excluded from the Small Mid Cap Composite. If a client makes a significant withdrawal causing the portfolio value to fall to 20% below the minimum asset value for the composite, or if the withdrawal represents a 20% drop from the account's value at the beginning of the quarter, it will be excluded from the composite. If a 20% drop below the minimum asset value occurs due to market fluctuations, the portfolio will remain in the composite for up to a year, after which it will be removed if its value remains below 20% of the composite minimum asset value at the end of that year.

### GIPS® COMPLIANCE AND VERIFICATION STATEMENT

Anchor Capital Advisors LLC ADMA Division claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Anchor Capital Advisors LLC ADMA Division has been independently verified for the periods 1994 through 2012 as follows: 1994-2000: Brown & Brown PC; 2001-2003: Miller Wachman LLP; 2004-06/30/12: ACA Beacon Verification Services. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

#### Calendar Year Performance

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Anchor SMID Cap (Gross of Fees)	13.87%	9.28%	12.67%	3.50%	-30.61%	43.30%	26.23%	-3.20%	14.97%
Anchor SMID Cap (Net of Fees)*	13.87%	8.54%	11.79%	2.69%	-31.15%	42.18%	25.25%	-3.95%	13.88%
Russell 2500 Value	21.58%	7.74%	20.18%	-7.27%	-31.99%	27.68%	24.82%	-3.36%	19.21%
Russell 2500	18.29%	8.11%	16.17%	1.38%	-36.79%	34.39%	26.71%	-2.51%	17.88%

#### Total Assets Under Management for Period: ADMA Division

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Discretionary Managed Accounts	\$1,358,709,919	\$1,704,411,133	\$2,006,351,597	\$2,095,553,748	\$1,585,595,791	\$1,549,879,557	\$1,771,495,486	\$1,632,064,730	\$2,001,660,997

#### Composite Standard Deviation for Period

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Composite Standard Deviation	0.00	1.55	0.54	1.42	0.69	0.79	0.50	0.50	0.85

Please note that the Small Mid Cap Composite was created on January 1, 2004.

#### 3 Year Annualized Ex-Post Standard Deviation

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Small Mid Cap Managed Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	23.59	17.49
Russell 2500 Value (primary benchmark)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24.23	18.41
Russell 2500 (secondary benchmark)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	23.40	18.97

Please note that the Small Mid Cap Composite was created on January 1, 2004.

#### 10 Year Composite Historical Values

	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
Composite Asset Value	\$352,178	\$1,265,919	\$1,981,991	\$2,132,876	\$1,468,100	\$2,086,807	\$2,612,573	\$2,508,250	\$6,816,135
Number of Portfolios	1	3	4	4	4	4	4	4	7
% Non-Fee Paying	100.0%	30.1%	21.9%	21.5%	21.9%	22.0%	22.0%	22.1%	9.4%
% Bundled Fee Portfolio Assets*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

\* Bundled brokerage fees, where applicable, include transaction fees, custodial and various consulting fees

#### 12/31/2012 Composite Characteristics

Composite Name	Composite Assets	% Accounts Comparable	% of Total Taxable Accounts	Number of Clients	Average Account Size	Median Account Size	% of Non-Fee Paying	% Bundled Fee Portfolio Assets
Small Mid Cap Managed Account	\$6,816,135	100.0%	0.44%	7	\$973,734	\$1,003,462	9.40%	0.00%

Anchor Capital's standard Small Mid Cap fee schedule is 1.5% of account assets for accounts less than \$3 million; 1.0% of account assets for accounts from \$3 million to \$5 million; 0.9% for assets exceeding \$5 million.\* For a complete listing of all composite descriptions, available upon request, contact Anchor Capital Advisors at (617) 338-3800. \*Prior to May 25, 2011, the standard fee of 1.5% of account assets for accounts less than \$3,000,000; 1.0% of account assets for accounts from \$3,000,000 to \$5,000,000; 0.5% for assets exceeding \$5,000,000 was the highest fee charged to any client in that strategy. As of May 25, 2011, the highest fee for this strategy from that date forward has changed to the schedule noted above.

Past performance is not a guarantee of future results. Inherent in any investment is the possibility of loss. The benchmark returns include the reinvestment of income.